



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
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Fifth District

April 15, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVE THE INTRODUCTION OF AN ORDINANCE TO AMEND THE
PROPRIETARY PETROLEUM PIPELINE FRANCHISE GRANTED TO
BP WEST COAST PRODUCTS LLC BY ORDINANCE NO. 99-0068F AS AMENDED
AND APPROVE A TRANSFER OF THE FRANCHISE RIGHTS TO
TESORO SOCIAL PIPELINE COMPANY LLC
(SECOND AND FOURTH DISTRICTS)
(3 VOTES)**

SUBJECT

Approval of the recommendations will amend the existing proprietary petroleum pipeline franchise granted to BP West Coast Products LLC, by Ordinance No. 99-0068F, to extend the term of the franchise through December 31, 2015, and the approval of the transfer of the franchise rights to Tesoro SoCal Pipeline Company LLC.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that this project is categorically exempt under the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board on November 17, 1987, and Section 15301 of the State of California Guidelines (Existing Facilities) for implementation of the California Environmental Quality Act.
2. Approve a transfer of the franchise rights granted to BP West Coast Products LLC, a Delaware limited liability company, by Ordinance No. 99-0068F, as amended, to Tesoro SoCal Pipeline Company LLC, a Delaware limited liability company.

3. Approve the introduction of an ordinance to amend the existing proprietary petroleum pipeline franchise granted to BP West Coast Products LLC, a Delaware limited liability company, by Ordinance No. 99-0068F, as amended, to extend the term of the franchise through December 31, 2015, and reflect the Board's approval of a transfer of the franchise rights to Tesoro SoCal Pipeline Company LLC, a Delaware limited liability company.
4. Introduce, waive reading, and place on the Board's agenda for adoption on April 22, 2014, the accompanying ordinance that implements the above recommendations.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Adopting an ordinance to extend the term of the petroleum pipeline franchise granted to BP West Coast Products LLC (BP West Coast) by Ordinance No. 99-0068F, as amended, will avoid the expiration of the franchise on May 29, 2014; allow additional time for the Chief Executive Office (CEO) and County Counsel to obtain Board approval of proposed updates to the County's franchise regulations in the County of Los Angeles (County) Highway Code (Title 16), prior to renewing the franchise for a longer term; and provide the Board's approval of a transfer of the franchise rights to Tesoro SoCal Pipeline Company LLC (Tesoro SoCal).

Implementation of Strategic Plan Goals

The County's Strategic Plan Goal of Operational Effectiveness (Goal 1) directs that we maximize and support timely delivery of efficient public services. Adoption of an ordinance to extend the term of the BP West Coast franchise and transfer the franchise rights to Tesoro SoCal is consistent with this goal.

FISCAL IMPACT/FINANCING

BP West Coast has paid the County a \$5,000 fee for the County to process an ordinance to extend the term of the franchise and transfer the franchise rights, and will continue to pay an annual franchise fee based upon the volume of highway space occupied using a formula in Ordinance No. 99-0068F, as amended. BP West Coast paid the County an annual franchise fee of \$65,654 for the 2012 calendar year.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On July 27, 1999 the Board adopted Ordinance No. 99-0068F granting a 15-year proprietary petroleum pipeline franchise to Atlantic Richfield Company (Arco), which became operative on May 30, 1999, and will expire May 29, 2014 (Arco Franchise).

The Arco Franchise was amended by Ordinance No. 2001-0078F, adopted by the Board in August 2001, to add two franchise areas and to transfer a pipeline system (Line 211) from Arco's common carrier subsidiary, Arco Pipe Line Company, to Arco.

The Arco Franchise was amended again by Ordinance No. 2007-0104F, adopted by the Board in November 2007, to reflect the Board's approval of a transfer of the franchise rights from Arco to BP West Coast. Within the 2007 amending ordinance, the County exercised its option in terms of the Arco Franchise, to change the method of calculating the base annual fee from a linear footage formula to a formula using the volume of the pipelines, and to increase the fees payable to the County for consent to transfer.

Effective on June 1, 2013, BP p.l.c., a British public limited company (BP), and Tesoro Corporation, a Delaware corporation (Tesoro), finalized a Purchase and Sale Agreement resulting in various Tesoro subsidiaries acquiring BP's Carson refinery and the related network of storage terminals and pipelines. The Tesoro SoCal subsidiary acquired the BP West Coast pipelines in County highways in the unincorporated areas of Westmont/West Athens, West Compton, and View Park/Windsor Hills.

Board approval of a transfer of the franchise rights is required in Section 6 of franchise Ordinance No. 99-0068F, as amended (BP Franchise), which obligates the franchisee and the proposed transferee to provide notice to the County and file supporting documents including the executed documents evidencing the transfer actions.

BP and Tesoro provided notice and submitted documents in compliance with the terms for the Board's approval to transfer the BP Franchise rights. Tesoro is experienced and financially capable of meeting the BP Franchise obligations, the only qualifications, if not met, that the County can use as the basis for refusal of its approval of the transfer.

ENVIRONMENTAL DOCUMENTATION

This project is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board on November 17, 1987, and Section 15301 (Existing Facilities) of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This project will not impact or negatively affect any County projects or current services. The Department of Public Works has reviewed this recommendation and expressed no objection to the extension of the BP West Coast franchise and a transfer of the franchise rights to Tesoro SoCal. County Counsel has reviewed the ordinance to amend the BP West Coast franchise and approved it as to form.

CONCLUSION

Instruct the Executive Office of the Board of Supervisors send conformed copies of the adopted Board recommendation and adopted ordinance Attention: Alana L. Edwards, Right of Way Department, Tesoro Corporation, 6 Centerpoint Drive, #5D-036, La Palma, CA 90623, and the offices of County Counsel, Public Works, and CEO, Real Estate Division.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'WTF', followed by a large, stylized loop and a horizontal line extending to the right.

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR
CMM:RB:ls

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Public Works

ANALYSIS

This ordinance amends the proprietary petroleum pipeline franchise originally granted to BP West Coast Products LLC, a Delaware limited liability company, by Ordinance No. 99-0068F, to extend the term of the franchise through December 31, 2015, and to reflect a transfer of the franchise rights to Tesoro SoCal Pipeline Company LLC, a Delaware limited liability company.

JOHN F. KRATTLI
County Counsel

By

A handwritten signature in black ink, appearing to be 'Kathy Bramwell', written over a circular stamp or seal.

KATHY BRAMWELL
Principal Deputy County Counsel
Contracts Division

KB:ng

Requested: 1/30/14
Revised: 2/20/14

ORDINANCE NO. _____

An ordinance amending Ordinance No. 99-0068F, a proprietary pipeline franchise originally granted to BP West Coast Products LLC, a Delaware limited liability company.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Section 1 of Ordinance No. 99-0068F, is hereby amended to read as follows:

SECTION 1. Franchise Term, Grant.

A. The right, privilege, and franchise is granted to ~~BP West Coast Products LLC,~~ Tesoro SoCal Pipeline Company LLC, a Delaware Limited Liability Company (hereinafter, "Franchisee"), its successors and assigns, for the period through ~~May 29, 2014~~ December 31, 2015, to lay, construct, maintain, operate, renew, repair, replace, change the size of, and remove or abandon in place pipes and pipelines for the collection, transportation and distribution of oil, petroleum, gas, gasoline, other hydrocarbon substances, wet gas, industrial gas, chemicals, mud, steam, water, waste water and other liquid substances, excluding any hazardous substances or hazardous waste within the meaning of the "Comprehensive Environmental Response Compensation and Liability Act of 1980," 42 U.S.C. 9601 et seq., as it may hereafter be amended, the "Federal Water Pollution Control Act," 33 U.S.C. 1251 et seq., as it may hereafter be amended, and the "Solid Waste Disposal Act," 42 U.S.C. 6901 et seq., as it may hereafter be amended, together with all manholes, valves, cathodic protection systems, appurtenances, and connections necessary or appropriate for the operation of

said pipes and pipelines, including poles, conduits, wires, cables, ~~including~~ adjunct communications lines, and other appurtenances and equipment for telegraph or telephone lines or both, necessary or appropriate ~~convenient~~ solely for the Franchisee's business in, under, along or across any and all highways now or hereafter dedicated to public use within the following described service area or areas in the unincorporated territory of the County of Los Angeles, State of California and depicted on the maps attached hereto as Exhibit "A-1."

South Bay Unincorporated Area:

Beginning at the intersection of the southerly boundary of Pacific Coast Highway and the westerly boundary of Crenshaw Boulevard; thence northerly along the westerly boundary of Crenshaw Boulevard to the westerly boundary of the San Diego Freeway (405 Freeway); thence northerly along the westerly boundary of the San Diego Freeway (405 Freeway) to the northerly boundary of Imperial Highway; thence easterly along the northerly boundary of Imperial Highway to the easterly boundary of Long Beach Boulevard; thence southerly along the easterly boundary of Long Beach Boulevard to the westerly boundary of the Long Beach Freeway (710 Freeway); thence southerly along the westerly boundary of the Long Beach Freeway (710 Freeway) to the southerly boundary of Pacific Coast Highway; thence westerly along the southerly boundary of Pacific Coast Highway to the point of beginning, as same streets and highways existed on February 16, 1999.

South-Central Los Angeles-Westmont/West Athens Unincorporated Area:

Beginning at the intersection of the northerly boundary of Imperial Highway and the westerly boundary of South Normandie Avenue; thence northerly along the westerly boundary of South Normandie Avenue to the northerly boundary of West Manchester Avenue; thence easterly along the northerly boundary of West Manchester Avenue to the most easterly boundary of South Vermont Avenue; thence southerly along the most easterly boundary of South Vermont Avenue to the northerly boundary of Imperial Highway; thence westerly along the northerly boundary of Imperial Highway to the point of beginning, as same streets and highways existed on September 20, 1999.

View Park/Windsor Hills Unincorporated Area:

Beginning at the intersection of the northerly boundary of Stocker Street and the westerly boundary of South La Brea Avenue; thence easterly along the northerly boundary of Stocker Street to the easterly boundary of Crenshaw Boulevard; thence southerly along the easterly boundary of Crenshaw Boulevard to the southerly boundary of West Slauson Avenue; thence westerly along the southerly boundary of West Slauson Avenue to the westerly boundary of South La Brea Avenue; thence northerly along the westerly boundary of South La Brea Avenue to the point of beginning, as same streets and highways existed on September 20, 1999. The operative date of this ordinance shall be May 30, 2014.

...

[BPWESTCOASTPROPIPEFRNBCC]

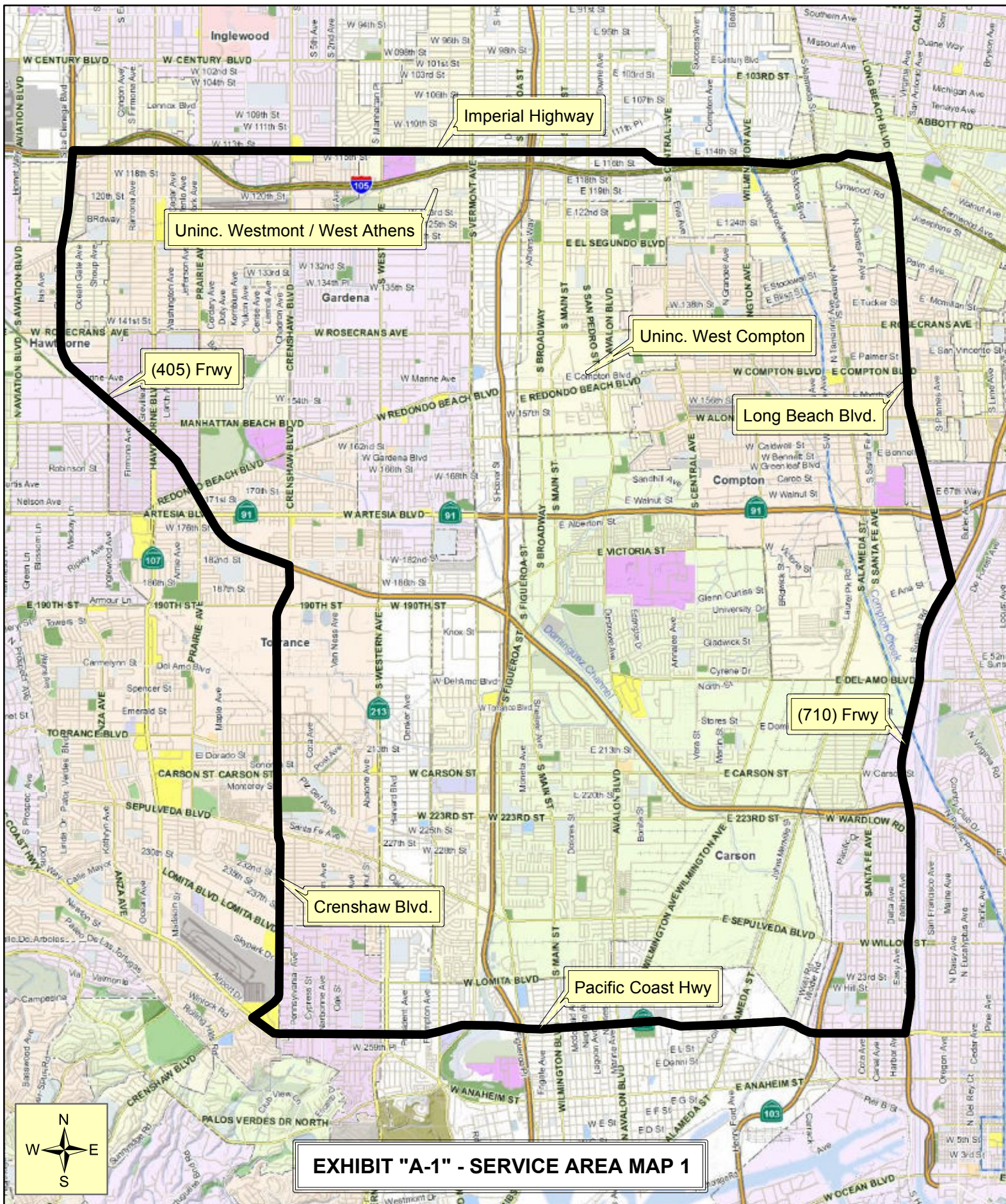
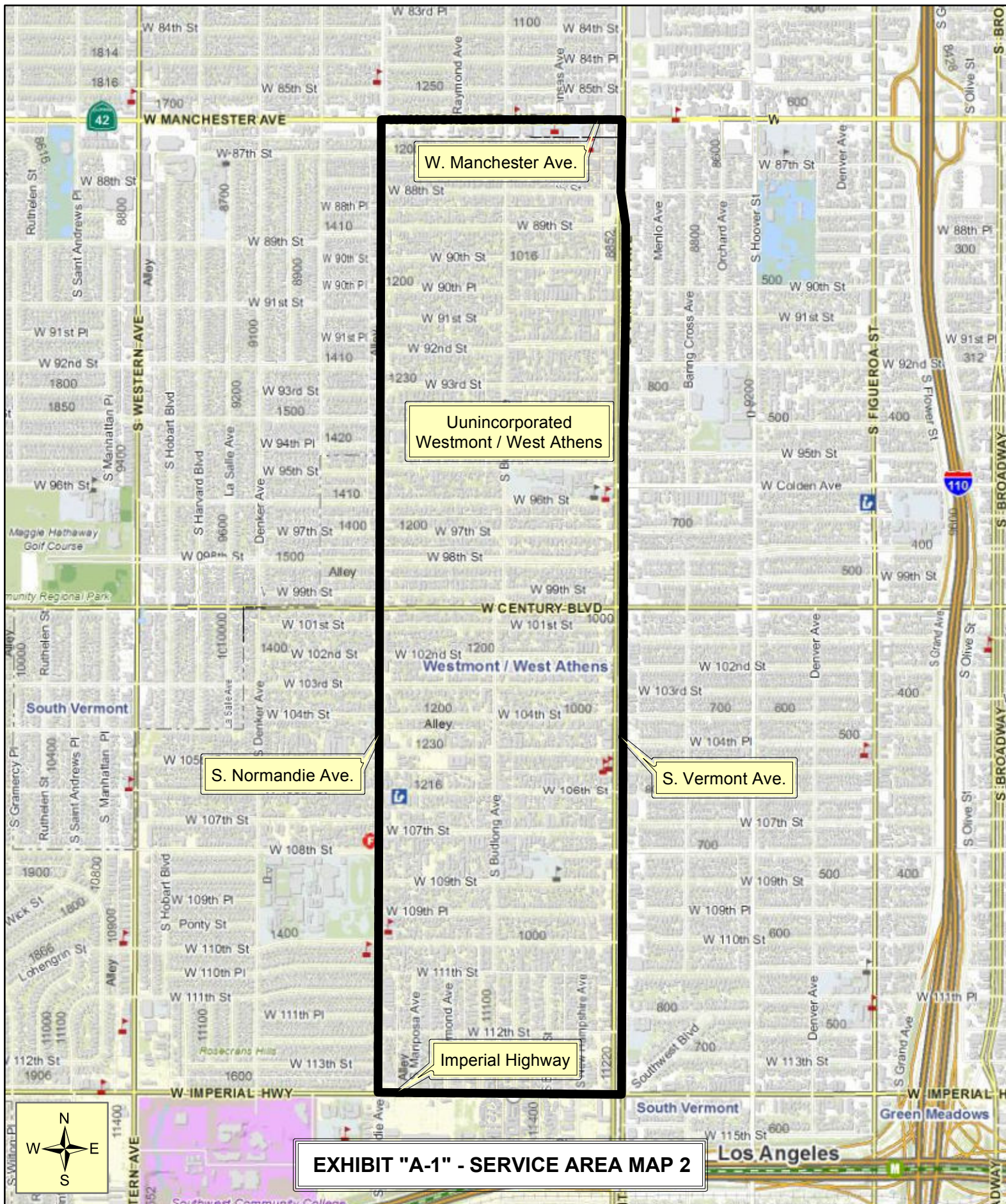


EXHIBIT "A-1" - SERVICE AREA MAP 1

<p>Date Jan. 2014</p>	<p>COUNTY OF LOS ANGELES - CHIEF EXECUTIVE OFFICE Tesoro SoCal Pipeline Company LLC South Bay Unincorporated Areas</p>	<p>Tesoro SoCal Amend 99-0068F</p>
<p>2nd and 4th Supervisory Districts</p>		<p>Agent R. Ball</p>



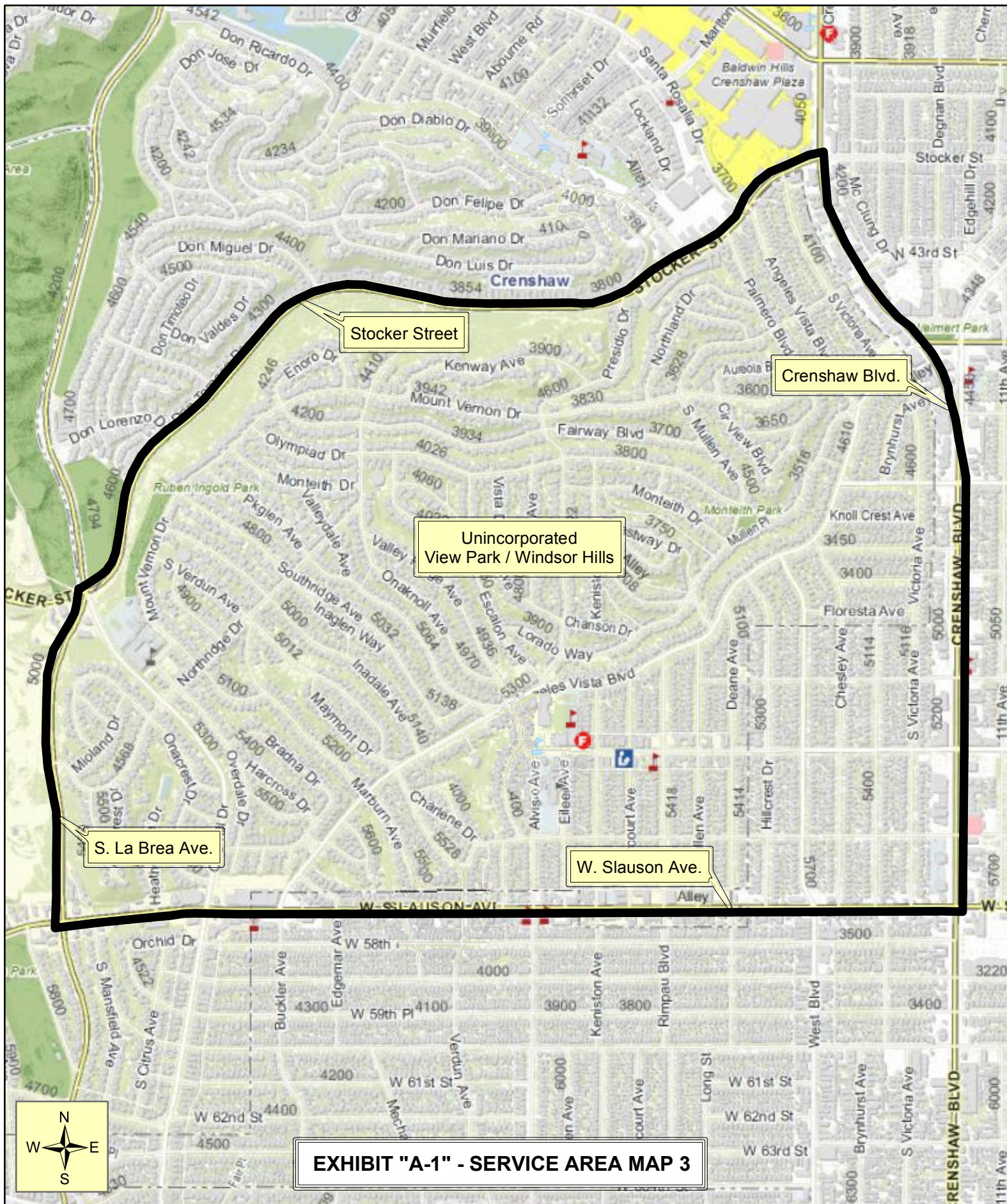
Date
Jan. 2014

COUNTY OF LOS ANGELES - CHIEF EXECUTIVE OFFICE
Tesoro SoCal Pipeline Company LLC
Westmont / West Athens Unincorporated Area

Tesoro SoCal
Amend 99-0068F

Second (2nd)
Supervisory District

Agent
R. Ball



Date Jan. 2014	COUNTY OF LOS ANGELES - CHIEF EXECUTIVE OFFICE Tesoro SoCal Pipeline Company LLC View Park / Windsor Hills Unincorporated Area	Tesoro SoCal Amend 99-0068F
Second (2nd) Supervisory District		Agent R. Ball